

Stafford County Utilities Commission
Meeting Minutes
October 8, 2013

I. Call to order

Chairman Bill Tignor called to order the regular meeting of the Utilities Commission at the Stafford County Government Center on October 8, 2013 in the Board Chambers.

II. Roll call

Cheryl Giles conducted a roll call. The following persons were present: Joyce Arndt, John Harris, Gordon Howard, Bob Hunt, and Bill Tignor. Harry Critzer, Dale Allen, Janet Spencer, Deidre Jett, Bryon Counsell and Cheryl Giles were present for the Utilities Department.

III. Public Presentations

Mr. Paul Waldowski of 8 Pickett Lane commented about his request to receive county water and sewer bills for the Stafford Meadows subdivision.

IV. Public Hearing for Pump and Haul Program

Mr. Allen provided a brief synopsis of the pump and haul program. He highlighted the residential and non-residential program and the staff recommendations for each program.

Mr. Harris asked Mr. Allen to provide a definition for direct discharge. Mr. Allen explained that direct discharge is a plant that discharges to a watercourse rather than land. In essence, the Department of Environmental Quality (DEQ) allows you to build a mini-treatment plant the same as a municipal treatment plant. The plant requires DEQ's approval.

Following are questions asked by Mr. Howard and responses provided by Mr. Allen:

- How many homes operate with an alternative on-site sewer system (AOSS)? According to the Health Department, about 830 homes operate with an alternative on-site sewer system.
- Are there additional fees for the homeowner to operate an AOSS? The state requires the homeowner to hire an operator and have yearly maintenance check-ups.
- Does Stafford County require routine maintenance check-ups for the AOSS? No, Stafford does not require routine check-ups. It is a state requirement.
- How many of the 29 homes on pump and haul have well water? Four homes are on public water and the remaining 25 homes are on well water.
- Have there been any reports of well water contamination in Stafford? The Health Department has no documentation that there has been any cross contamination from a failed drainfield to a well.
- Does Stafford County send staff out to test the quality of well water? No, the County does not send staff out to test the quality of well water. It is solely done by the Health Department.

- Is there a specific geographic area in Stafford that has the majority of septic system failures? Generally, the pump and haul sites are distributed throughout the county. In 1998, there were a number of failed drainfields in the Roses area. There also seems to be a concentrated area on White Oak Road. The failures seem to be in areas of poor soil that would not meet current Health Department requirements for drainfields today.
- Is the non-residential program for businesses? It is for anyone that does not have the ability to have a drainfield and requests one. Aquacultural, agricultural, or silvacultural businesses qualify for the non-residential program. If the business is institutional, commercial or industrial, and there is no available public sewer, but one is expected in the near future, they qualify for the non-residential pump and haul program.
- What is the cost between the residential and non-residential program? There is no cost to the county for the non-residential program. The owner is fully responsible for all costs for pump and haul. The county only authorizes the operation of the pump and haul under the county's permit.
- What are the costs for a customer to hook up to the public sewer system? The current cost to hook up to public sewer is \$5,647. The cost includes the availability fee, connection charge, and administrative fees.
- How feasible would it be for the current subsidized pump and haul customers to connect to public sewer? Each application is evaluated to determine the proximity of the property to public sewer. If there is any way an alternative can be provided, that does not involve pump and haul then an alternative is recommended.
- Are there any out-of-pocket costs for the homeowners that are on the subsidized pump and haul? There are upfront costs to the customers. They are responsible for installing a 2,000 gallon storage tank, for getting a construction permit for the Health Department, for paying a contractor to install the tank, and for getting a certificate from the Health Department to operate it.
- How many homes are projected to need pump and haul over the next five years? This can be very difficult to predict. It depends upon the weather and groundwater.

Mr. Tignor asked what the main barrier is to getting the advanced on-site systems. Mr. Allen responded the cost is the main barrier. The cost ranges from \$15,000 to \$31,000 for an advanced on-site system.

Mr. Tignor opened the public hearing for statements from the public. The following residents gave statements about the pump and haul program.

- Paula Burns of 111 Autumn Drive
- Patrick Walsh of 46 Greenleaf Terrace
- Ivy Walsh of 46 Greenleaf Terrace
- John Blauvelt of 703 White Oak Road
- Bob Butler of 73 Chapel Heights Road
- Ray Barnett of 1006 White Oak Road

Following the public comments, Mr. Tignor closed the public hearing.

Mr. Howard requested Mr. Allen highlight the staff's recommendations again. Following Mr. Allen's overview of the staff's recommendations, Mr. Hunt asked if staff's recommendations were for new applicants for the subsidized pump and haul program, but not for existing subsidized pump and haul customers. Mr. Allen responded that the recommendations are for new applicants only.

Mr. Howard inquired if existing customers would be grandfathered into the program and moving forward new applicants would have to meet the criteria of staff's recommendations. Mr. Allen responded that staff's recommendation is to grandfather the current subsidized customers into the program.

Mr. Howard made a motion to approve staff's recommendations for the residential and non-residential program and to include a description that indicates the existing homeowners remain on the residential (subsidized) program.

Mr. Tignor commented that maintaining the current program was not addressed in the motion and was not included in the staff's recommendations.

Mr. Howard stated he thought that based upon Mr. Allen's comments, new applicants would have to go through a different evaluation process and the motion could be amended to add that requirement.

Mr. Hunt seconded the motion to include an amendment that new applicants would have to go through an evaluation process before being approved for the subsidized pump and haul program.

Mr. Harris commented that in previous pump and haul meetings, one issue that was discussed was a notice to record about sites that are on pump and haul. Mr. Harris inquired if the issue could be addressed by having the Clerk of the Court record it on the deed of transfer.

Discussion ensued about how to notify a potential customer that a property is on pump and haul. Mr. Hunt inquired if the information could be placed on the title. Mr. Howard commented that it is very difficult to get that information recorded on the title, but could amend the motion to include that recommendation to the Board.

The motion was amended to include a notice to record with appropriate language from the County Attorney's Office to be maintained by the Planning and Zoning Department, and the Clerk of the Court.

Ms. Arndt commented that the issue for new applicants with hardship cases was not addressed. She suggested partially subsidizing an applicant with a true hardship case.

Discussion ensued about a process to subsidize new applicants with true hardship cases. Following the discussion, the motion was amended to recommend the Board consider an appeal process for new applicants with true hardship cases.

The amended motion was to approve staff's recommendations for the residential and non-residential program to include a description that indicates the existing homeowners remain on the residential (subsidized) program, new applicants would have to go through an evaluation process, recommend the Board consider including a notice to record with appropriate language from the County Attorney's Office, to be maintained by the Planning and Zoning Department, and the Clerk of the Court, and recommend the Board consider an appeal process for new applicants with true hardship cases. The motion passed with a 5-0 vote.

V. Approval of minutes from last meeting

The September 10, 2013 minutes were approved as written.

VI. Commission Members' Comments

No comments.

VII. Director's Report

Mr. Critzer reported that the new water and sewer rates went into effect on October 1, 2013. Customers will see the rate increase on their November bills. Mr. Critzer announced that Janet Spencer was promoted to Deputy Director of Utilities.

VIII. Unfinished Business

Rocky Pen Run Project Financial Overview

Mr. Allen began the presentation with an overview of the Rocky Pen Run (RPR) Project. Ms. Jett provided a financial overview of the Rocky Pen Run Project. Mr. Counsell completed the presentation with detailed information about the contracts, contract adjustments, and requested approval of R13-342, which would authorize the County Administrator to execute contract amendments in connection with the Rocky Pen Run Dam, Reservoir, and Water Treatment Facility.

Mr. Counsell also reported that proposed resolution R13-341 would award a contract to W.C. Spratt for the approved environmental mitigation plan for water quality retrofits and low impact developments to offset stream impacts.

Mr. Hunt made a motion to recommend approval of R13-341 and R13-342. The motion was seconded by Mr. Howard.

Mr. Howard asked for clarification regarding the \$3,500 per day that could be recouped from MEB. Mr. Counsell responded that MEB's contract substantial completion date is January 31, 2014. Staff projects the contract will last six to nine months beyond the January 31, 2014. The contract allows Utilities to assess MEB \$3,500 per calendar day for all delays that are their fault. There are also two other provisions in the contract that allow Utilities to recover additional costs that are not our responsibility. MEB is responsible for costs for any submittals that are submitted more than twice. Staff is aware of several submittals that have been submitted more than twice. Secondly, all costs associated with non-conformance notices and defective work that our consultants have had to fix can be recovered.

Mr. Howard asked if the recouped costs were accounted for in the RPR financial report. Ms. Jett responded the costs are accounted for in the \$1.3M savings total. Mr. Howard suggested a detailed itemization of the recouped costs be posted and shown in the RPR financial report.

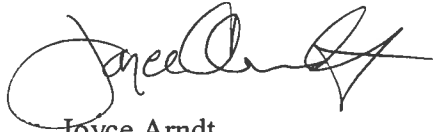
Mr. Tignor inquired how the \$5M increase would be covered. Ms. Jett responded that when some of the conditions were unfolding, staff felt it was important to include it in the rate analysis. Staff projected there would be potential increases. \$5.5M was included in the rate study to ensure we would be able to meet our debt covenants, as well as have enough revenue to run the system. The impact would be that we draw down more cash and would have to delay certain projects two to three years. We may also have to borrow sooner than originally planned to complete some of the more important projects.

The motion to recommend approval of R13-341 and R13-342 passed with a 4-0 vote (Mr. Harris had to leave the meeting at 8:30PM).

IX. Adjournment

There being no further business, Mr. Tignor adjourned the meeting at 9:00PM.

Minutes submitted by:

A handwritten signature in black ink, appearing to read "Joyce Arndt", written over a horizontal line.

Joyce Arndt,
Recording Secretary